

# GOP, W.H. push trade rescue plan

Trade pact proponents claim new momentum

By JAKE SHERMAN, MANU RAJU and LAUREN FRENCH

House Speaker John Boehner and Senate Majority Leader Mitch McConnell made the calculation quickly: If Congress didn't act swiftly to send President Barack Obama a fast-track trade bill, it might never get done.

With that in mind, the Democratic president and the two Republican leaders embarked on their most intense bipartisan negotiating spree in recent memory,

speaking on private conference calls, scheduling meetings with supportive Democrats and plotting a process to advance Obama's top agenda item over the finish line. The back channeling, combined with some complex procedural machinations, might allow the House and Senate to clear both Trade Promotion Authority and Trade Adjustment Assistance before the Fourth of July recess.

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DON RYAN — AP

AFL-CIO President Richard Trumka led the charge against fast-track authority.

Dems still steamed over labor's trade attacks

By LAUREN FRENCH

Labor won big on trade last week, but Democrats are still seething over the scorched-earth tactics that unions employed en route to their dramatic, if perhaps short-lived victory on the House floor.

The ill will — even among lawmakers who typically consider themselves friends of labor — is unlikely to subside soon, interviews with more than a dozen Democratic lawmakers and aides

indicate.

The AFL-CIO pummeled some pro-trade Democrats with scathing TV ads and threats of primary challengers. In the end, most House Democrats voted to derail President Barack Obama's bid for expanded powers to negotiate trade deals, though Republicans are trying to chart a new legislative path around the Democratic objectors.

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# Senate GOP floats two-year Obamacare fix

By JENNIFER HABERKORN and BURGESS EVERETT

Senate Republicans are coalescing around a plan to extend Obamacare subsidies for up to two years if the Supreme Court strikes them this month.

The court is due to rule within days on whether the president's health care law allows people using HealthCare.gov to get insurance subsidies. If the court rules against the White House and strikes the subsidies, Republicans say they want to be ready to protect the more than 6 million people who could lose their subsidies.

In a closed-door meeting Wednesday, Republicans crafted the outline of a plan that would extend the subsidies for a period of

time — potentially through 2017 — and couple it with a delayed repeal of big-ticket pieces of Obamacare, such as the individual and employer mandates.

Democrats are unlikely to embrace any plan that derails the health law and President Barack Obama has said he would veto any bill that hurts his signature domestic policy achievement.

Republicans plan to frame the extension as a way to help people who would lose subsidies because of the law's flawed construction, not as an extension of Obamacare. Sources said they may even call it a "grandfathering" of the existing subsidies.

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SUSAN WALSH — AP

Longtime Bill and Hillary Clinton confidant Sidney Blumenthal arrives on Capitol Hill on Tuesday to face questions from the Republican-led House panel investigating the deadly 2012 attacks in Benghazi, Libya.

# Benghazi panel probes Blumenthal's work for David Brock

By KENNETH P. VOGEL and RACHAEL BADE

Republican members of a special congressional committee spent hours on Tuesday grilling Clinton confidant Sidney Blumenthal about the inner workings of the Clinton's philanthropic and political operations, going well beyond the 2012 Benghazi attacks that the committee is charged with investigating, according to sources familiar with the hearing.

A particular focus during Tuesday's closed-door deposition was a network of groups founded by Clinton enforcer David Brock that — POLITICO has learned — paid Blumenthal more than \$10,000 a month as they defended Hillary Clinton against conservative attacks, first while she was secretary of state and then as she prepared for and ultimately entered the presidential campaign.

While still secretary of state,

Clinton emailed back and forth with Blumenthal about efforts by one of the groups, Media Matters, to neutralize criticism of her handling of the deadly assault on the U.S. consulate in Benghazi, Libya, sources tell POLITICO.

"Got all this done. ... Complete refutation on Libya smear," Blumenthal wrote to Clinton in an Oct. 10, 2012, email into which

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# Highway funding cliff vexes Republicans

By BURGESS EVERETT

Congress is hurtling toward an imminent funding cliff for highways and bridges with no apparent plan to avoid a summertime construction shutdown.

There are emerging divisions between House and Senate GOP leaders, who now have fewer than six weeks to deal with a vexing highway problem that's been unsolved for seven years and costs billions just to keep on life support.

In the House, Republicans have basically given up on finding the tens of billions of dollars they'd need for a long-term fix for the nation's crumbling roads and bridges. Instead, they're mulling how

to pay for the latest punt. But on the other side of the Capitol, Senate Republicans refuse to admit defeat, even though they have yet to come up with the huge sums of money they'd need for a major extension.

But blowing the deadline, which would shut down road and bridge construction projects across the nation, isn't an acceptable option for GOP leaders. So top Republicans have started combing the budget, trying to squeeze out any savings to cobble together a bill that would at least put the highway trust funds on firmer financial ground for a year or two,

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## THE NEXT BIG APP

Sean Parker is taking the wraps off his long-awaited social network for politics, Brigade, which allows users to discuss key issues.

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## KGB FILE

Mark Sanford and his on-again off-again Argentine girlfriend make an appearance at the Congressional Baseball Game at Nationals Park.

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# Committee's Blumenthal grilling goes beyond Benghazi

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he had pasted links to four Media Matters posts criticizing Fox News and Republicans for politicizing the Benghazi attacks and challenging claims of lax security around the U.S. diplomatic compound in Benghazi, according to a source who has reviewed the email exchange. Blumenthal signed off the email to Clinton by suggesting that one of her top aides, Philippe Reines, "can circulate these links," according to the source. Clinton responded: "Thanks, I'm pushing to WH," according to the source.

The emails were not included in documents originally turned over by the State Department. The Select Committee on Benghazi obtained the emails through subpoena. And the committee's Republican members spent much of Tuesday's nine-hour-session pressing Blumenthal about his role in producing the posts, and his tangled web of business and personal relationships in the Clintons' orbit and beyond, according to sources.

In addition to Blumenthal's role at Media Matters, he was involved with the Brock-founded groups American Bridge and Correct the Record, he worked on Hillary Clinton's 2008 presidential campaign, and then afterward at the \$2 billion Bill, Hillary and Chelsea Clinton Foundation (which paid Blumenthal about \$10,000 a month even as he was on Brock's payroll). During this time, he also advised a pair of businesses seeking potentially lucrative contracts in Libya, while sharing intelligence on the country with Clinton while she was secretary of state.

Republicans privy to the Benghazi committee's strategy say it's important to map out Blumenthal's many affiliations in order to understand the motivations for the counsel he provided to Clinton, and the degree to which she relied on it. But Democrats argue that Tuesday's questioning shows that Republicans are conducting a politicized fishing expedition intended to damage Clinton's presidential campaign and its supporters.

Brock, informed Wednesday by POLITICO of the committee's line of questioning, called it ironic.

"The Republicans asked more about what our groups do to debunk their false claims about Benghazi than about the attacks in Benghazi? That sounds like a bizarre waste of time," Brock said. "All our work is made public. And I'd be happy to give Chairman Gowdy a tour of our offices at his convenience," Brock said, referring to Rep. Trey Gowdy (R-S.C.), who chairs the Benghazi committee.

A Republican congressional source defended the questioning. "Your background is always relevant: where you worked and who was paying you during that time period? So while he was sending information to Secretary Clinton ... you have to ask: Who was paying your salary?" said the source. "He was at one point working for Media Matters, Correct the Record and American Bridge, and some of those entities have quite a bit to say about Benghazi."



Rep. Trey Gowdy (above), chairman of the House Select Committee on Benghazi, leaves the press gaggle before the start of Clinton ally Sidney Blumenthal's deposition on Tuesday. Blumenthal testified for nine hours.

PHOTOS BY SUSAN WALSH — AP

Blumenthal wrote or edited a statement released Monday by Correct the Record that chided the committee for subpoenaing Blumenthal. The statement said Blumenthal "has not one thing to do with what happened in Benghazi or the government's reaction to it," and it called the committee "disgraceful" and "a political sideshow," suggesting a more accurate name for it would be the "Select Committee to Destroy Hillary Clinton."

Brock said that Blumenthal had no role in Monday's release scolding Gowdy's committee, but otherwise declined to comment on Blumenthal's role.

Sources who have worked with Brock's groups, however, say that Blumenthal offered high-level strategy and messaging advice on numerous subjects and participated in weekly strategy calls with Brock and other top group officials. The Benghazi debate almost certainly would have been discussed in those calls, said the sources, since it became a major focus of

sometimes greeted by eye rolls, said an operative who interacted with Brock and Blumenthal. But, the operative said, "Brock respects and trusts him a lot. And he surely feels he owes him a lot, as well."

A Clinton loyalist who first earned the family's trust as an aggressive combatant in the political battles that buffeted Bill Clinton's presidency, Blumenthal helped recruit Brock to the cause in the late 1990s. After spending much of the decade as a self-proclaimed right-wing hit man and Clinton antagonist, Brock publicly renounced the right and reinvented himself as a liberal crusader against conservative attacks. Brock is now close to the Clintons, and he and his groups are central players in a constellation of big-money outfits supporting Clinton's presidential campaign.

"It was Sid who basically made David's current life possible, in many ways," the operative said.

Blumenthal remains a paid consultant for Media Matters and American Bridge. Since about 2010, the groups have combined to pay Blumenthal more than \$10,000 a month, though the payments are impossible to track since they're made almost entirely through arms of the groups that do not disclose detailed information.

That income was supplemented by the Bill, Hillary and Chelsea Clinton Foundation, which began paying him about \$10,000 a month starting in 2009 — not long after he stopped working for Hillary Clinton's presidential campaign. That arrangement, which ended in March of this year, came at the behest of former president Bill Clinton, for whom Blumenthal had worked in the White House. It appears to have taken shape after Hillary Clinton's effort to hire Blumenthal at the State Department was rebuffed by top aides to President Barack Obama.

The reason Blumenthal initially came into the select committee's sights was the Libyan intelligence he emailed to Clinton while she was secretary of state. On Tuesday, he testified that he received the intelligence from a business contact and wasn't being paid to pass it along to Clinton, according to sources.

But scrutinizing Blumenthal's work for Brock's groups and the foundation allows the Benghazi committee a lens into the Clinton political and philanthropic operations, which could provide fodder for campaign trail attacks. Democrats argue that's the committee's real motive.

After Tuesday's hearing, Blumenthal chafed at the committee's focus on his political work.

"It seems obvious that my appearance before this committee was for one reason and one reason only ... politics," he said. The panel spent "hours asking me questions about things that had nothing to do with Benghazi," he said, adding, "I hope I have cleared up the series of misconceptions some members of the committee may have held. ... My testimony has shed no light on the events of Benghazi — nor could it, because I have no firsthand knowledge."

Under Republican questioning, Blumenthal suggested he was merely forwarding the Media Matters posts about Benghazi to Clinton but had no role in writing, editing or placing them.

And when Republicans asked him why he seemed to take credit for such posts in his email, he said he may have overstated his role, according to separate sources familiar with the questioning.

"So the next question is: What did you 'get done'?" one source said, referring to Blumenthal's own words from his email. "And he stumbled over that."

to cover up the events around the attack and for blaming the State Department for failing to implement sufficient security at the U.S. diplomatic compound in Benghazi.

One post in particular accused Chaffetz of "fundamental hypocrisy" after he admitted in a CNN interview that he had previously voted to cut embassy security funding.

Chaffetz chairs an oversight committee that previously examined the attacks but ceded jurisdiction late last year to the select committee, so he was not present for Tuesday's hearing. But during

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David Brock

Some of the Media Matters posts Blumenthal forwarded, which were published in the weeks after the attacks, criticize Rep. Jason Chaffetz (R-Utah) for suggesting the Obama administration tried

the hearing, sources said Gowdy, who is close friends with Chaffetz, suggested Media Matters's scrutiny bothered the Utah Republican.

Another GOP select committee member asked whether Blumen-

Brock's groups, which in 2013 helped Brock pen a book called "The Benghazi Hoax."

Blumenthal's ideas for Brock's groups would often be passed along to staff members and were